

INFORMATION REPORT

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1. Until 1948 the entire Czech textile industry was united under the administration of the Board of Directors of the Czechoslovak Textile Works (Ceskoslovenske Textilni Zavody), which was subordinated to the Ministry of Industry. The General Manager of the Czechoslovak Textile Works was Ing. Frantisek Adamek. In 1948 the Czechoslovak Textile Works was divided into three independent sections each subordinated to a different Ministry of the government:

- a. The Production Section is directed by the Board of Directors of the Czechoslovak Textile Works, which acts as the central technical administration of the industry. It controls the regional managements which have direct supervision of the mills. The Board of Directors is subordinate to the Textile Section of the Ministry of Industry.
- b. The Foreign Trade Section is known as Centrotex and is subordinate to the Ministry of Foreign Trade, and the Ministry of Finance through account "M" of the Zivnobanke. Centrotex employs about 800 persons.
- c. The Domestic Trade Section is subordinate to the Ministry of Domestic Trade and is organized into various TEPs or warehouses.

2. Centrotex is organized as follows:

- a. Administrative Division, directed by Padusicky. This division is charged with personnel and maintenance matters. It also purchases Czech raw materials for the textile industry. Stehl is in charge of the Purchasing Section, while the purchase of "auxiliary raw materials" is handled by Kratochvili.
 - b. Export Division, directed by Dr. Gajdecka, handles the actual foreign trade. There is a special section for trade with the ruble area.
 - c. Cadre Division.
3. Machinery of the textile industry is in general of good quality and in good condition. In the spinning mills, however, the machines, of British manufacture, should be replaced, but there is not enough foreign currency available to purchase replacements. The knitting mills are suffering from a severe

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lack of knitting needles, which were formerly imported from Germany but are no longer available. Czech needles are of very poor quality. The major weakness of the Czech textile industry is the lack of skilled workers. There is a shortage of good dyes available to the industry because of the elimination of the German firm of I.G. Farben. The Swiss firms of Ciba and Sandacz are unable to fill all the orders for dyes which they have received, and have made no attempt to increase their production because they believe that I.G. Farben may start production again.

4. Centrotex purchases each year about eight milliard kcs. worth of cotton, about half from the USSR, about 350 million kcs. worth from Egypt, and the rest from India, Pakistan, Brazil and the USA. Wool of a very poor quality is purchased from the USSR. Some wool is also purchased from Australia, South Africa and South America. About half of the flax used by the Czech textile industry is grown in Czechoslovakia; the rest is obtained from the USSR, or to a small extent from Belgium. Artificial silk is largely domestically produced, although some is obtained from Italy and the Netherlands. All the cellulose used by the industry is produced in Czechoslovakia.